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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Trade and Development Board on its eighteenth executive session

held at the Palais des Nations, Geneva,
on 10 July 1998

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INTRODUCTION

1. The eighteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 10 July 1998. The executive session consisted of two meetings - the 893rd and 894th plenary meetings of the Board. The agenda of the eighteenth executive session is reproduced in annex I below.

I. TEXT ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT ITS EIGHTEENTH EXECUTIVE SESSION

OUTCOME OF THE MID-TERM REVIEW [1/]

INTRODUCTION

1. The reform project embodied in the Midrand outcome was a turning point in the history of UNCTAD. The Conference decreed the streamlining of the intergovernmental machinery of the organization, of its work programme, and of the structure of the secretariat. It also decided to improve UNCTAD's working methods and - most importantly - to adopt a different approach to the work, one based on dialogue and consensus-building and on practical objectives.

2. These goals have in effect been the guiding force of the organization since the Conference. A genuine effort - by both member States and the secretariat - has been made to attain them, and to a significant extent they have succeeded. But this major reform effort has, inevitably, encountered some difficulties, such as skill mismatches, compounded by the financial crisis of the United Nations. In the context of the mandates agreed upon at Midrand and subsequently endorsed by the General Assembly, which are not to be reopened, the Mid-term Review takes stock of the road already travelled, including its obstacles and pitfalls; considers what is yet to be done in the coming two years to fulfil these mandates; and makes recommendations on how to strengthen implementation.

3. The decisive test in the period up to the next Conference will be how well UNCTAD matches its description as the focal point within the United Nations system for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development. UNCTAD is also the focal point for LDCs for the United Nations system,

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[1/] For the action by the Board and statements made on the Mid-term Review, see chapter II below.

and another test will be how effectively it delivers assistance to those countries. The key will be "integration": of programme elements (for example, FDI should be seen not in isolation but as a way of building supply networks of SMEs, strengthening the enterprise sector in recipient countries, bringing innovation, improving export competitiveness, etc); among UNCTAD's Divisions and Branches in coping with cross-sectoral issues and between the secretariat and member States; and among relevant economic multilateral institutions and regional commissions in terms of the common or complementary points in their work programmes and in the implementation of integrated country programmes.

4. Capacity-building is the expression that better defines this approach - capacity to implement the appropriate policies at the country level but also the capacity to formulate and apply negotiating positions on trade, investment and the other central issues that shape the globalization process and which will consequently affect the external economic environment for development.

STOCKTAKING

5. UNCTAD's work since Midrand - both in the secretariat and at the intergovernmental level - has basically proceeded along the lines mandated by the Conference. Intergovernmental consensus-building, policy research and analysis, and technical cooperation have on the whole addressed the goal of assisting developing countries and economies in transition to promote their development and participate more effectively in the world economy under conditions conducive to their development.

6. Valuable analysis for policy-making has in particular been provided by work on interdependence and global economic issues; on development challenges facing LDCs and African countries; on foreign direct investment issues; on a positive agenda for developing countries in trade negotiations and the opportunities available in trade in services; on commodity diversification and risk management; and on electronic commerce. In this connection, the importance and usefulness

of the flagship reports, namely the *Trade and Development Report*, the *World Investment Report* and the *Least Developed Countries Report*, have been recognized.

7. Applied work has been particularly valuable in the fields of debt management; investment promotion; capacity-building for entrepreneurship; accession to WTO; capacity-building in the trade field; commodity risk management; modernization of customs, cargo tracking and trade facilitation; transport and transit arrangements; and the setting-up of integrated country programmes for LDCs. Intensive work has been undertaken as far as accounting and reporting standards, and competition law and policy are concerned. The functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy is to be reviewed.

8. Databases in the field of trade in goods and services (Trade Analysis and Information System (TRAINS) and Measures Affecting Service Trade (MAST)) have been further developed and refined as analytical tools.

9. In the field of institutional reform, the Board adopted guidelines on the efficiency and functioning of the UNCTAD intergovernmental machinery which *inter alia* stress the importance of integrating the outcomes of expert meetings into the policy work of the Commissions.

10. Work has taken place within the framework of a participatory approach that emphasized the need for UNCTAD to incorporate civil society into its work; to liaise closely with other international organizations; and to integrate research and policy analysis and technical cooperation work.

11. However, several organizational factors have been identified in connection with which further efforts are necessary to strengthen the role and impact of the organization. Given the growing gap between the level of requirements and the level of resources available and their quality

(skills and expertise of staff), there is a need for more flexible allocation of resources and a better matching between skills and priority areas. The problem is exacerbated by systemic rigidities and in particular the slow pace at which vacancies are filled.

12. The linkages between analytical and technical cooperation activities have not been fully developed. Cross-sectoral issues have not benefited from sufficiently integrated treatment within the intergovernmental machinery, nor have they been dealt with as effectively as possible within the secretariat, and this situation has particularly affected the treatment of LDC-related issues. The impact of the activities and work of UNCTAD needs to be better measured.

13. The recruitment difficulties faced by UNCTAD in the last two years have especially affected the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries. The Office has suffered from the delay in appointing a Special Coordinator and in filling the other vacant posts, and this has negatively affected the direction of UNCTAD'S work on LDCs. High-quality appointments need to be made as a matter of urgency.

14. The Secretary-General of the United Nations has endorsed the agreement reached regarding the division of labour between UNCTAD and the Department of Economic and Social Affairs (DESA) on strengthening United Nations work in macroeconomic analysis. UNCTAD's present capacity to carry out analysis of international macroeconomic issues, particularly the impact of globalization and liberalization on trade and development, may therefore not be fully adequate in this new context.

15. While UNCTAD's work on Africa has increased in recent years and the Board's discussions of both substantive issues affecting Africa and UNCTAD activities in the context of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) and the United Nations System-wide Special Initiative on Africa have generally proved satisfactory, further

improvements could still be made. Support in terms of analytical inputs and human resources is still not sufficient, and internal coordination could be improved.

16. In work on globalization and development strategies, there is scope for improving the balance in the activities undertaken, since not all regions have been fully covered from year to year, and dissemination of analytical outputs needs to be improved; not enough has been done on how developing countries could pace and sequence liberalization. Funding of activities on debt management has not been secure enough, and activities relating to assistance to the Palestinian people now need to aim at having a direct beneficial economic impact. In work on investment, technology and enterprise development, priorities and targets could be defined more clearly. In work on trade, there has not been a clear enough division of labour between subprogrammes in respect of electronic commerce and commercial diplomacy. In work on services infrastructure for development and trade efficiency, there is a need for greater emphasis on creating a better understanding of the economic impact of electronic commerce and its emerging global framework. In work on least developed, landlocked and island developing countries, not enough emphasis has been placed on the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, and participation of LDCs in UNCTAD meetings has been inadequate.

RECOMMENDATIONS

General

17. The unique contribution of UNCTAD has to be made through its analytical function and by linking *research* and *action*, *analysis* and *policies*. UNCTAD's programmes should be evaluated with this linkage in mind. Links should be reflected both in the consensus-building process in the intergovernmental machinery and in UNCTAD's operational activities and through enhanced partnerships with civil society. Feedback from member States through adequate monitoring of implementation will be indispensable.

18. The partnerships for development envisaged by the Midrand Declaration should be the hallmark of UNCTAD. These will require further changes in the way business is conducted. UNCTAD should strengthen its links with civil society, in particular the private sector, and international organizations. Links with the private sector should be aimed at tapping its innovative capacity, engaging in joint activities and supplementing funding, and in this connection clear guidelines should be adopted for private-sector funding. Links with other international organizations, including regional commissions, which represent an equally valuable source of ideas, should be aimed at increasing synergies and avoiding duplication. Constructive ideas must be developed about how to improve the dissemination of policy advice, including through modern electronic means, to make sure it reaches the end-users in a user-friendly form (best practices, handbooks, model laws and/or contracts).

19. While recognizing the need to adjust priorities in the light of changes in the world economy, the scope and contents of the work programme of the secretariat should be commensurate with approved mandates, taking resource constraints into account.

20. Work on cross-sectoral issues must be better integrated into the work of the intergovernmental machinery, and the Board should in particular ensure that the cross-sectoral issues referred to in paragraph 106 of "A Partnership for Growth and Development" are integrated into the work of the Commissions.

21. UNCTAD's analytical and technical cooperation activities should be better coordinated, and the secretariat should put in place appropriate mechanisms for this purpose. The strategy for the coherence of regular budget and extrabudgetary programmes that seeks to strengthen these linkages should be further pursued and should be linked to the outcomes of expert meetings, the Commissions, the Working Party and the Trade and Development Board.

22. UNCTAD's management should deploy every effort to proceed speedily with recruitment and appointments so as to reduce the current excessive vacancy rate. It should also seek to reduce costs within the framework of system-wide efforts to improve efficiency. Staff training should be stepped up with a view to addressing skill mismatches and creating a flexible workforce able to adjust to changing requirements.

23. Taking into account current discussions in the United Nations system on results-based budgeting and performance indicators, the UNCTAD secretariat should integrate further in its work the use of performance indicators. In accordance with commonly accepted national and international criteria, these indicators should be relevant, simple and measurable, and due account should be taken of the difficulties involved in measuring the impact of analytical work.

24. Focusing on results rather than inputs, the secretariat should examine and propose to the Board ideas for suitable feedback mechanisms to measure the impact of UNCTAD's activities. These proposals should be made available to the Board as soon as possible, and the Working Party should be involved at a later stage.

25. Cost recovery should be examined for certain technical cooperation programmes involving updating, maintenance and continuing servicing, account being taken of the situation of LDCs and low-income countries.

Specific

26. As UNCTAD is the focal point within the United Nations system for assistance to the least developed, landlocked and island developing countries, the work of the Office of the Special Coordinator should be strengthened. This could be achieved in part by filling current vacant posts as a matter of urgency. It is important that the Office coordinate the sectoral work, monitor the implementation of the Paris Programme of Action and initiate the preparatory process for the Third United Nations Conference on LDCs in close consultation and collaboration with the relevant agencies and institutions and civil society. LDC issues should be fully integrated into the work of the intergovernmental machinery at all levels. The lack of effective participation of LDCs in UNCTAD meetings should be addressed by the Board.

27. In view of its great importance to least developed countries, it is essential that decision 445 (EX-16) of the Trade and Development Board on the follow-up to the High-level Meeting on Integrated Initiatives for LDCs' Trade Development be implemented in full. Ownership of beneficiary countries should be assured. LDCs should be assisted in preparations for, and follow-up to, country-specific round tables. Cooperation, coordination and coherence of all the cooperating agencies' efforts remain the hallmark for achieving success.

28. Greater emphasis should be placed on cooperation with other agencies in the implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States. Work relating to development problems specific to landlocked and transit countries should be strengthened and proceed in consultation with all parties concerned.

29. Close cooperation and coordination must play a primordial role if the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme in Selected Least Developed and Other African Countries, which, for the LDCs involved, represents a concrete step in implementing the integrated framework stemming from the High-level Meeting, is to meet its objectives. The secretariat coordination and focal point mechanism for activities relating to Africa should be strengthened.

30. Work on globalization and development strategies should have broader regional coverage, dissemination should be improved and more should be done on the pace and sequencing of domestic liberalization policies.

31. In debt management, more work should be done on the training of national staff and on domestic debt management. Work on debt problems of indebted countries, taking account of the results of debt negotiations in various forums, including private sector forums, should be pursued within UNCTAD's mandate.

32. UNCTAD should analyse the impact of European economic and monetary union and the euro on developing countries, taking into account global analysis carried out in the relevant international organizations. Work on portfolio investment might best be carried out under the programme on investment, and advantage should be taken to the greatest possible extent of work being done by regional development banks and United Nations regional institutions.

33. In the programme on assistance to the Palestinian people, interagency coordination should be improved and a greater field presence should be considered.

34. UNCTAD's work in identifying and analysing the implications for development of issues relevant to a possible multilateral framework for investment addresses a prominent issue on the

international agenda. UNCTAD should continue this timely work, which should be primarily analytical and include consideration of development-friendly elements. It should also pursue work to assist developing countries to strengthen their capacity to promote their trade and development through foreign investment. Further research should be undertaken into the factors which play a part in private sector firms' choices of investment locations. UNCTAD should continue its analysis on the current development of transnational corporations and help developing countries to improve the general understanding of issues related to transnational corporations and their contribution to development, as well as on policies allowing developing countries to benefit from TNC operations. More attention should be paid to promoting investment among developing countries. The integrated approach to investment and technology through the science, technology and innovation policy (STIP) reviews and investment policy reviews (IPRs) should be further pursued. Country-specific approaches to supporting national institutions and capacity-building should be preferred. Action should be taken to promote the continued expansion of the EMPRETEC programme, endeavouring to promote a regional balance.

35. In work on trade, further emphasis should be placed on capacity-building. Secretariat efforts to assist developing countries and economies in transition to participate effectively in international trade negotiations and in acceding to WTO should continue, including through the elaboration of a positive agenda, on which member States should be kept informed, and should receive appropriate funding from regular budget and extrabudgetary sources. Analytical work on the impact of trade preferences on the trade and development of developing countries should be strengthened, with special reference to identifying policy solutions in response to the decline in preferential margins and maximizing the utilization of preference schemes. In particular, it should identify ways to improve market access for developing country exports, including in new areas. The implementation of the special and differential provisions in favour of developing countries provided by the Uruguay Round Agreements should be analysed, bearing in mind the work being done in this area by WTO. Training in commercial diplomacy must be so designed as to ensure that UNCTAD's role is directed

towards strengthening the analytical capacity of developing country officials in international negotiations. Work on commercial diplomacy courses should have a clear strategy and be sufficiently funded, and it should be developed in conjunction with the Training Development in the field of Foreign Trade (TRAINFORTRADE) programme. The role of different subprogrammes in respect of commercial diplomacy and electronic commerce should be clarified. As a contribution to the discussion on issues on the international trade agenda, UNCTAD should continue to pursue its activities in the fields of competition law and policy; trade, environment and development; and services, including the use of the MAST database. Given the continuing dependence of a number of developing countries on primary commodities, work on diversification and risk management should be strengthened.

36. The sustainability of the Trade Point programme and Trade Points should be enhanced, particularly in respect of training, operability and interoperability, as may be recognized at the forthcoming evaluation of the programme. The concept of support services for the Automated System for Customs Data (ASYCUDA) should be developed, and measures to ensure its overall sustainability, as well as that of all other trade facilitation programmes, should be explored. The future activities of TRAINFORTRADE should be spelt out more clearly, taking into account the recommendations adopted by the Working Party on the Medium-term Plan and the Programme Budget following the evaluation of the programme and lessons learnt from the regional pilot projects. The Lyon Partners for Development meeting should be integrated into the work of UNCTAD through follow-up to private-sector/UNCTAD activities launched at the meeting. The analysis of global electronic commerce in terms of its impact on development should be an area of focus. In cooperation with relevant organizations, in particular WTO, ITU, WIPO and UNCITRAL, assistance should be provided to developing countries to prepare for possible multilateral discussions on electronic commerce.

37. The secretariat should produce an annual report on UNCTAD's activities in order to achieve greater transparency, to provide member States with a comprehensive overview and to permit a better assessment of UNCTAD's work and achievements. The Secretary-General may wish to take into account any views conveyed by member States as to the basic content of the report.

38. Expanded use of all aspects of information technology in UNCTAD's work should be sought. To that end, each Division should develop a plan to integrate information technology fully into its work.

894th plenary meeting
10 July 1998

II. MID-TERM REVIEW

(Agenda item 2)

1. The **President** recalled that the Midrand Declaration stated that "*to build on the political commitment of member States to the process initiated at this Conference and ensure its implementation, the President of UNCTAD IX should consider convening a special high-level review meeting two years prior to UNCTAD X*". In addition, General Assembly resolution 52/182 of December 1997, in paragraph 2, stated that the General Assembly "*also reaffirms its political will and responsibility with respect to implementing the agreed commitments reached at the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in particular the document entitled "A Partnership for Growth and Development", and, in this regard, welcomes the convening of a special high-level Mid-term Review meeting in 1998, which will contribute to the preparations for the tenth session of the Conference, to be held in Thailand in 2000*". At the sixteenth executive session of the Board, the Mid-term Review process had been launched, and the Vice-President of the Board, Ambassador Benjelloun-Touimi of Morocco, had been mandated to conduct the formal and informal work of the review.

2. The representative of **Morocco**, speaking in his capacity as Vice-President of the Board and Chairman of the Mid-term Review process, said that a total of nine informal meetings had been held prior to the beginning of the formal process on 24 June 1998. The review had been aided by documentation from the secretariat, and the process had been characterized by full transparency and frank and constructive discussions on all relevant issues of substance. The formal preparatory process had then followed, and in accordance with the new guidelines on the functioning of the intergovernmental machinery, summaries of the informal discussions on each subprogramme and the cross-cutting issues had been made available to delegations. The formal preparatory process had

been concluded with the unanimous approval of the Chairman's draft (TD/B/EX(18)/L.2 and Corr.1), and that outcome represented the consensus of delegations participating in the exercise.

Action by the Board

3. At its 893rd plenary meeting, on 10 July 1998, the Board approved and adopted the outcome of the Mid-term Review (see chapter I above). In so doing, it requested member States, the UNCTAD secretariat and relevant organizations to fully implement the recommendations therein, and it requested the Secretary-General of UNCTAD to proceed immediately with the implementation of these recommendations, to provide regular progress reports at the monthly consultations and to transmit the outcome to the High-level Mid-term Review Meeting at the forty-fifth session of the Trade and Development Board.

Statements

4. The representative of **Japan** said that the outcome of the Mid-term Review was generally acceptable to his delegation. When implementing the recommendations contained in the outcome, the secretariat must ensure maximum transparency by consulting member States well in advance. Given the limited resources available to both the secretariat and member States, certain priorities should be established for the implementation of the recommendations. Particular importance should be attached to the follow-up to the High-level Meeting on Integrated Initiatives for LDCs' Trade Development, identifying ways of improving market access for developing country exports, especially LDC exports, and assisting developing countries' capacity-building, particularly in terms of acceding to the WTO. Secretariat efforts in that area should be strengthened, not merely continued. Finally, it was stressed in the outcome of the Mid-term Review (para. 34) that UNCTAD's work on investment and in particular on a possible multilateral framework should be primarily analytical, and that was indeed where UNCTAD's advantage lay.

5. The representative of **India** said that the outcome of the Mid-term Review, though not a negotiated document, had been given consensual endorsement; it should be seen as a catalyst for the implementation of the Midrand mandate, and it could not replace anything in that mandate. More time and resources had been spent in the Mid-term Review on deciding how to improve UNCTAD's work than on the work itself. For example, there had been little in the way of policy dialogue at a time when tumultuous events affecting trade and development were taking place all over the world. Normal work should therefore resume, and much remained to be done. His delegation therefore endorsed the outcome of the Mid-term Review in order to move on as quickly as possible.

6. The representative of **Switzerland** said that much more had been achieved by the Mid-term Review than many had thought possible. His country's aim in participating in the Mid-term Review had not been to cast doubt on the reforms decided on at Midrand but to contribute to their full implementation. It had emerged clearly from the Mid-term Review that the secretariat would not have the necessary resources, including the skills, to implement the Midrand mandates in full, and some priorities would therefore have to be set. The efforts of the Secretary-General of UNCTAD in tackling the operational problems of the secretariat were to be encouraged. In proposing the idea of an annual report, his country had sought to contribute to the transparency and coherence of UNCTAD's work. Finally, the outcome of the Mid-term Review should contribute to the preparations for UNCTAD X.

7. The representative of **Canada** endorsed the outcome of the Mid-term Review. Capacity-building should be at the forefront of UNCTAD's objectives, and in that connection, where the Mid-term Review outcome stated that the unique contribution of UNCTAD had to be made through its analytical function and by linking research and action, analysis and policies (para. 17), it meant that analysis should support capacity building and technical cooperation. The guidelines on the efficiency and functioning of the intergovernmental machinery adopted by the Board at its sixteenth

executive session represented a real achievement, and his country looked forward to their complete implementation.

8. In order to maximize the use of UNCTAD's resources, priorities should be set, and the emphasis placed on least developed, landlocked and island developing countries in the outcome of the Mid-term Review (para. 26) was welcome. Mainstreaming LDCs' interests throughout UNCTAD's work should be a priority. To that end, the follow-up to the High-level Meeting on LDCs was important, and the procedures defined in the Integrated Framework for Trade-related Technical Assistance should be fully enshrined in UNCTAD's programmes.

9. The representative of the **Russian Federation** said his delegation agreed that UNCTAD activities had taken place within the framework of the decisions taken at Midrand and had been directed towards helping developing countries and economies in transition integrate into the world economy. UNCTAD's work in the next two years would be evaluated on the basis of the extent to which it succeeded in its role as focal point within the United Nations system for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development.

10. His delegation basically agreed with the analysis contained in the outcome of the Mid-term Review. It supported UNCTAD's practical work in such areas as investment promotion, entreprise development, trade in services, accession to the WTO, competition law and policy, and accounting and reporting standards. It also appreciated UNCTAD's three flagship publications. At the same time, more had to be done to involve the private sector and civil society in UNCTAD's work, to improve coordination with other international organizations and to enhance the links between analytical work and technical cooperation. The gap between demands and available resources was a matter for concern.

11. His delegation fully endorsed the recommendations concerning coverage of all regions in work on globalization and liberalization, the involvement of civil society in specific projects, analysis of a possible multilateral framework for investment, the use of performance indicators, growing reliance on a results-based approach, and the importance of consulting all concerned in work relating to landlocked and transit countries. It also supported the proposal to produce an annual report, provided the latter did not merely duplicate the Secretary-General's report to the Board.

12. The representative of **Uganda** said that the overall framework for assisting landlocked countries should be strengthened, and it was hoped that the importance of the landlocked programme would not be diminished, despite the downgrading of the relevant post in the programme budget. His delegation also attached great importance to work on LDCs and would have liked stronger language in the Mid-term Review outcome (para. 27). It was hoped that the language agreed on would not detract from work on LDCs. It was disappointing to see that a Special Coordinator for Least Developed, Landlocked and Island Developing Countries had still not been appointed two years after Midrand, and it was hard to believe that it had not been possible to fill the post; the question of gender sensitivity should not be allowed to block the process, and the secretariat should inform delegations of what was being done to remedy the situation. UNCTAD had a special role to play in the follow-up to the High-level Meeting on LDCs. It should deal adequately with the new issues to be negotiated in the multilateral trading system, and it should serve as a think tank for developing countries.

13. The spokesperson for the **Asian Group and China** (Bangladesh) said that his Group welcomed the outcome of the Mid-term Review, which reflected the commitment of all groups. It agreed with the recommendations embodied in the outcome and assumed that all parties would make their best efforts to assist in their implementation. The priority accorded to LDCs was welcome, and

the critical importance of UNCTAD activities relating to LDCs was to be underlined. The delay in recruiting the Special Coordinator was a matter of concern.

14. The spokesperson for the **African Group** (Mauritius) said that, now that the Mid-term Review had come to a successful conclusion, a great deal of work remained to be done, and it would be important to see that work proceed in a timely and positive way. His Group had high expectations in respect of capacity building and the removal of supply-side constraints, and it agreed on the importance of improving market access, the follow-up to the High-level Meeting on LDCs, and work on landlocked and island developing countries. It must be said that the African Group had been disappointed in a number of areas, but it still hoped for a brighter future for Africa and for the translation of the work programme into concrete action.

15. The representative of **Ethiopia** said that the Mid-term Review had culminated in a text with concrete, action-oriented and forward-looking recommendations. His delegation hoped that those recommendations would be implemented fully and expeditiously, in parallel with the mandates contained in "A Partnership for Growth and Development", as supplemented by subsequent General Assembly resolutions. His delegation was encouraged to note a high level of convergence on issues related to LDCs, particularly regarding the lack of integration of these issues into the policy and analytical work of UNCTAD. As the focal point for LDC-related programmes and activities in the United Nations system, UNCTAD should give utmost priority to translating the recommendations on LDCs into concrete actions as urgently as possible. The LDCs' development partners should also step up their efforts to support the implementation of programmes initiated in these countries by UNCTAD.

16. The representative of **Thailand** said that the second report of the Secretary-General of the United Nations on reform had recognized the core competencies of UNCTAD in macro-economic policy analysis in the context of interdependence and in support of the interrelated issues of trade

and development, and the Secretary-General of the United Nations had endorsed the agreement reached between UNCTAD and DESA on strengthening United Nations work in macro-economic analysis. However, paragraph 14 of the Mid-term Review outcome raised a concern that UNCTAD's present capacity "may not be fully adequate" to carry out the analytical work transferred from DESA. It was the understanding of his delegation that ways and means would be undertaken to strengthen UNCTAD's capacity in conducting its analytical work on international macro-economic issues.

17. His delegation also attached importance to UNCTAD's work on accounting and reporting, as well as on competition law and policy. The analysis provided by UNCTAD in these areas of work had so far proven to be beneficial and valuable. UNCTAD was therefore encouraged to continue its intensive work on these two issues.

18. The spokesperson for **Latin America and the Caribbean** (Uruguay) said that the outcome of the Mid-term Review was balanced, and his Group would do its best to implement the recommendations. The Mid-term Review had proved useful and had produced good guidelines for UNCTAD's work, but it had taken too long and had been a source of frustration, particularly when previous decisions had been called into question. Useful lessons could be drawn for future such exercises. He noted that a number of unfair criticisms had been voiced against the secretariat, particularly in terms of its impartiality and transparency. Support for and trust in the secretariat were essential ingredients if member States wanted it to perform its duties efficiently.

19. Some countries had tried to reorient UNCTAD's work in such a way as to have it concentrate exclusively on LDCs. His Group had always supported work on LDCs, but a certain balance must be maintained; UNCTAD must promote development for all developing countries, and work on LDCs should not be to the detriment of work involving other developing countries.

20. UNCTAD's capacity for global analysis must be maintained, and its technical assistance capacity vis-à-vis all countries must be increased. In particular, the EMPRETEC programme should be expanded. His Group would continue to try to make UNCTAD a useful instrument for all Governments in achieving a more equitable global economy.

21. The representative of **Austria**, speaking on behalf of the **European Union**, said that, with the successful conclusion of the Mid-term Review, resources could now be freed for less introspective work. The Mid-term Review had been difficult, since the objectives and methods had been vague at the outset, but the outcome anticipated what lay ahead in the coming two years, and the European Union wanted to see the recommendations put into effect immediately. There was little risk that UNCTAD would devote too great a share of its resources to LDC-related activities, and the follow-up to the High-level Meeting on LDCs should figure prominently in UNCTAD's future work. He was confident that adequate staff resources could be found to carry out the work.

22. The least developed countries, investment issues, the upcoming negotiations in WTO, and trade efficiency were the areas that the European Union wanted to concentrate on in the period leading up to UNCTAD X. The European Union remained confident that the question of UNCTAD's priorities and the agenda for the coming period could be settled in a manner satisfactory to all.

23. The representative of the **United States** said that the most important conclusion of the Mid-term Review was the emphasis placed on the fact that the unique contribution of UNCTAD had to be made through its analytical function and by linking research and action, analysis and policies. This goal had not yet been achieved by the secretariat. Her delegation had stressed the needs of African countries and LDCs, because it felt that those needs had not yet been adequately addressed. The most important task in the next two years would consist in getting the right staff in place, and

her delegation looked forward to the Secretary-General's report on staff matters at the coming consultations.

24. The representative of the **Republic of Korea** said that his delegation attached particular importance to institutional reform and the restructuring of the secretariat in further of the mandate established at Midrand. It was hoped that the recommendation concerning the publication of an annual report would encourage the secretariat to work in a more transparent and consistent manner.

25. The representative of **Turkey** said that her delegation endorsed the outcome of the Mid-term Review. Timely and transparent implementation would be important. Setting priorities would be easier if delegations were kept better informed, and it would be important to set concrete targets for implementation. Her delegation supported work on LDCs, and that work should be better integrated into UNCTAD's work in general and programme evaluation.

26. The representative of **China** said that the Mid-term Review had been a success. It had produced positive and objective conclusions and a number of feasible ideas for UNCTAD's future work. It had been agreed that work on LDCs and landlocked countries should be a priority for UNCTAD. China also attached great importance to cooperation with those countries at the bilateral level. Emphasis had been placed on capacity building for effective participation in multilateral trade negotiations, and this would help promote cooperation between UNCTAD and WTO. UNCTAD must also play a greater role in macroeconomic analysis. The Mid-term Review indicated what remained to be done, and his Government would join with others in achieving the goals set at UNCTAD IX.

27. The representative of **Jamaica** said that one of the main objectives of the Mid-term Review had been to contribute to preparations for UNCTAD X, and the exercise could therefore be seen as setting the basis for decisions at UNCTAD X that would allow all countries to raise living standards

through international trade. While it was important to focus on some categories of countries, it would be shortsighted to neglect systemic issues. ACC had just issued a statement on poverty, and although UNCTAD should be a focal point for poverty alleviation through development, the outcome of the Mid-term Review was silent on the matter; it must not be forgotten that the progress achieved with much difficulty in recent years could easily be jeopardized by disruptions in the international system. It would be an ongoing challenge to review implementation of mandates; world economic exchanges were not tied to the Midrand mandates, and economic actors were moving on.

28. The central goals of UNCTAD must include capacity building in developing countries and assisting countries in preparing for international trade negotiations. With regard to the latter, timeliness would be important, since in the past there had been too many delays. His delegation understood the term "civil society" to refer to NGOs, and the latter must be fully involved in UNCTAD's work, since they were important actors in development. Linkages with other international organizations must also be given emphasis, especially in the fields of telecommunications and intellectual property. The greater use of feedback mechanisms would be more than timely, and the establishment of evaluation criteria would be helpful. Finally, it would be important not to concentrate all attention on UNCTAD X but to look more at the dramatic changes taking place at the current time.

29. The spokesperson for the **least developed countries** (Bangladesh) said that UNCTAD was moving in the right direction as far as focus on the LDCs was concerned, and statements made in support of such focus were welcome. Giving LDCs priority would be essential if LDCs were to escape their plight of underdevelopment and regress.

30. The representative of **Senegal** said that the Mid-term Review had proved a useful exercise in that it had made it possible to evaluate what had been done and see what remained to be done. The outcome could not reflect all concerns, but it was balanced.

31. The **Deputy Secretary-General of UNCTAD** said that the Mid-term Review outcome was highly successful. The review itself had been transparent and frank, and criticism had been substantive and constructive. The secretariat found it gratifying that member States recognized the efforts made to streamline and to implement mandates, and it was encouraged to see that member States basically felt that UNCTAD was on the right track. It had taken careful note of where deficiencies had been identified and where remedial action was required, especially in terms of skill matches. In that connection, the Secretary-General of UNCTAD would be making a statement to the next consultations on the progress achieved in reforming the secretariat, and he would on that occasion provide detailed information on staff assignments, vacancies, training, etc., in a spirit of complete transparency, to which he was fully committed. It must be noted that in some matters, for example recruitment, member States would be kept informed and would have an opportunity to give their views, but decision-making would remain the prerogative of the Secretary-General. Finally, the outcome of the Mid-term Review would be implemented forthwith, and the Secretary-General would report regularly to member States.

32. The representative of the **United States** said that her delegation was prepared to help in any way it could to speed up the process of filling vacancies.

33. The representative of **Morocco**, speaking in his capacity as Chairman of the Mid-term Review process, said that UNCTAD must now pass the test of relevance. The Mid-term Review had been a frank process which had shown that UNCTAD had very good programmes but also had to address many problems. It was important to remember that nothing was written in stone. Economic realities were changing, and UNCTAD must also change. The secretariat had been criticized, but

it had participated in the review process in good faith. Member States must also make an effort to be less entrenched in their positions and to bear the broader picture in mind so that progress could be made. They must also show greater discipline in terms of allowing the secretariat to work freely and transparently. Finally, he was encouraged by the secretariat's commitment to implement the Mid-term Review recommendations, and he looked forward to regular reports on progress made.

III. UNCTAD'S CONTRIBUTION TO THE UN-NADAF: UNCTAD'S ACTIVITIES IN FAVOUR OF AFRICA (AGREED CONCLUSIONS 443 (XLIV))

(Agenda item 3)

34. For its consideration of this item, the Board had before it the following documentation:

"UNCTAD's contribution to the implementation of the United Nations New Agenda for Africa in the 1990s: Activities undertaken by UNCTAD in favour of Africa - Report by the Secretary-General of UNCTAD" (TD/B/EX(18)/2).

35. The **representative of the UNCTAD secretariat** said that a distinction had to be drawn between the substantive analysis that the secretariat carried out for the Board's annual consideration of its item on Africa at its regular session and the survey of activities currently before the executive session of the Board. A considerable amount of work had been carried out on policy research and analysis using regular budget and extrabudgetary resources, and part II of the 1998 *Trade and Development Report* would be devoted to Africa. Work, funded by Japan, had also been done on the lessons of the East Asian financial crisis for Africa, and that work would culminate in a conference to be held in Mauritius. Some of the work relating to Africa depended on extrabudgetary resources, and such resources were not always available.

36. The spokesperson for the **African Group** (Mauritius) said that the secretariat's report gave a factual statement of the results obtained, together with frank explanations of factors inhibiting success. The main problems included human resources constraints and insufficient funding. This had always been the bane of the various initiatives launched by the international community to address the development challenges facing Africa.

37. At the forty-fourth session of the Board, the Secretary-General of UNCTAD had said that the differences between African LDCs and those from other regions justified the need for separate treatment of the two groups of countries. He had also said that it would not be reasonable to assume that market forces alone could rebuild the necessary physical and social infrastructure in Africa, and he had concluded that the "flying geese" development paradigm was not an option for most of Africa. However, the report before the Board gave rise to misgivings and queries, since once again programmes had not been fulfilled as planned, and this inevitably caused concern about the prospects of success in the broader context of country programmes which were themselves contingent upon subprogrammes like UN-NADAF.

38. In the pursuit of sustained economic growth and sustainable development, African countries had undertaken policy reforms and adopted various macroeconomic policy measures, and whatever growth and development had been achieved had to a large extent been the result of those measures, together with the efforts deployed at home in terms of human and institution capacity building. At the same time, countries were still nowhere near meeting their expectations. They had thought that the UN-NADAF programme would act as a catalyst, but the report before the Board gave a measure of the difficulties and shortcomings encountered in its implementation. Much more needed to be done for the expeditious implementation of decisions taken at the High-Level Meeting on Integrated Initiatives for LDCs' Trade Development, as well as in connection with programmes like ASYCUDA, Trade Points, TRAINMAR, CAPAS, etc. For new issues like electronic commerce, the euro, women in development and micro finance, work had not yet started.

39. The main problem lay in the protracted vacancies in critical posts, coupled with reliance on stop-gap measures to cope with the requirements of Africa, and this resulted in mismatches between planning and implementation and between budget forecasts and actual resources. Large numbers of recommendations had emerged from expert meetings, consultants' reports and advisers' briefs, but in most cases, where measures and steps had been taken, implementation had been either too late

or too limited. The question therefore arose as to whether the mandates set at UNCTAD IX could be fully implemented before UNCTAD X. UN-NADAF was of high importance because of its propensity to produce demonstration and multiplier effects in the larger context of African economies, but if it remained unimplemented, it could only act as another brake on Africa's growth and development momentum. This must not be allowed to happen.

40. As liberalization, globalization and integration deepened, there was a need to review the programme's methodology and critical path, so as to make it more effective. The development paradigm had changed in Africa. A virtuous circle of growth and sustainable development must be attained, and the UN-NADAF programme had a significant role to play in that regard.

41. The representative of the **United Republic of Tanzania** said that his country was a beneficiary of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries. It thanked donors, and hoped that more funds would be made available. One of the stated objectives of the programme was to strengthen export supply possibilities, taking into account the new market opportunities created by the Uruguay Round, but the resources available would not be commensurate with that goal, and it might be wise for the programme to be more focused. It was perhaps too soon to conclude that the programme was "bearing fruit", and it was hoped that resources would be spent on measures that would have a real impact on the ground, not on travel and administration.

42. With regard to the follow-up to the High-level Meeting on LDCs' Trade Development, the international community was one family, and every family must take care of its weakest members. It was hoped that no delegations would have doubts in that regard, and of course much would depend on the efforts of the LDCs themselves. Once country round tables had been held, more funds should be made available. The inter-agency cooperation in the follow-up to the High-level Meeting was appreciated, but it was hoped that the LDCs themselves would be fully involved.

Concerning new issues and the multilateral trading system, UNCTAD's commitment in this connection was appreciated, since LDCs relied on UNCTAD's expertise. UNCTAD's support in the context of preparations for the WTO Ministerial Meeting had been very useful, and it was hoped that similar support would be provided in connection with the post-Lomé negotiations with the European Union. Finally, debt had reached crisis proportions for many LDCs, and it was hoped that the HIPC initiative would play its full role. UNCTAD should play a more proactive role in making the case of the heavily indebted countries to the Bretton Woods institutions.

43. The representative of **Ethiopia** said that, while the secretariat's report was clear and interesting, it would have been more valuable had there been sufficient policy analysis in it with regard to results attained and challenges faced in the implementation of UN-NADAF. The latter was a major collective commitment and shared responsibility of the international community. African Governments had exerted their utmost efforts to put macroeconomic fundamentals right. They had pursued wide-ranging economic adjustment programmes and political reforms with vision and vigour. Those reform programmes were yielding positive economic growth, but the challenge remained of making the results sustainable.

44. The support of the international community was vital in making Africa's socio-economic recovery and growth sustainable and firm, and the contributions of institutions like UNCTAD remained invaluable. The question was how such contributions could be made concrete and noticeable. The share of Africa in international trade continued to be insignificant, and investment flows to the region had stagnated. The bleak situation of African LDCs was a cause for particular alarm, and out of 41 countries identified by the World Bank and the International Monetary Fund as heavily indebted poor countries, 33 were in Africa. The debt crisis of Africa continued to severely depress its growth and development prospects, and Africa's development partners were urged to make extra efforts to implement the HIPC initiative fully and expeditiously. The continued decline of official development assistance (ODA) to Africa in 1995 to the lowest recorded level in

the 1990s was a matter of serious concern. It was only through a viable partnership and joint efforts that the deplorable socio-economic conditions of Africa could be alleviated.

45. The representative of **Sudan** said that the secretariat's report was useful but that it could have been more analytical and informative. With regard to the High-level Meeting on LDCs' Trade Development, the follow-up had so far not met expectations. UNCTAD was the focal point for LDCs in the United Nations system, and hence its primary role in the follow-up needed no further emphasis. More information should be provided in that regard. Concerning the integrated country programmes, little information was provided, and the fact that only four countries had benefited so far was a matter for concern. More countries should be covered. His own country was in fact covered by the programme and was satisfied with the progress achieved so far in terms of implementation. The Trade Point programme was of great significance and was very relevant to the needs of the business community in Sudan. More efforts were needed to ensure that Trade Points became operational, since only five Trade Points were fully operational in Africa. The secretariat should inform member States of any problems encountered in that connection.

46. The representative of **Tunisia** said that, with regard to the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries, the secretariat's report did not show clearly enough that the efforts taken to date in eight countries represented only the first phase of the programme, which should be extended to all African countries. Secondly, the report did not sufficiently stress the slowness of implementation of the programme. Three years after its launching, the programme covered only eight countries, and implementation had actually begun in only one country. There was therefore a clear gap between good intentions and implementation. The one country where implementation was going ahead was her own, but programme start-up had only been possible because her authorities had opted for financing within the framework of a UNDP country project, supplemented by the country's own resources. However, financing was assured only until the year 2000, when the problem would arise

again. Her country therefore welcomed the creation of a trust fund for the Integrated Programme, thanked donors who had already contributed and appealed for further contributions.

47. The representative of **Kenya** said that the slowness of implementation of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries was disappointing. After three years, only one country out of eight had seen implementation begin, and at that rate it would take 150 years to cover all of Africa. With regard to the follow-up to the High-level Meeting on LDCs' Trade Development, more than eight months after the Meeting, the administrative unit was still "being established". Clarification should be provided as to the reasons for the delay. Similar clarification was needed in respect of the delay in the follow-up to the Expert Meeting on Vertical Diversification in the Food Processing Sector in Developing Countries, which had been held in September 1997. Further information would be useful on the progress achieved in the Trade Point programme and with the HIPC initiative further to the meeting in Berne in June 1998. With regard to investment and enterprise development, the Fès symposium had proved very useful, and more symposia should be organized on increasingly complex issues. His delegation looked forward to receiving fact sheets on FDI.

48. The representative of **South Africa** said that the secretariat had both the scope and the political support to enhance its work on Africa, and work on behalf of all developing countries need not be adversely affected by this. When UNCTAD X met in the year 2000 and when the General Assembly came to review the work of the United Nations system for Africa at the end of the decade, UNCTAD must be in a position to let its achievements speak for themselves. The African Coordinator in the secretariat must therefore be provided with adequate support and resources.

49. The secretariat's report gave a good glimpse of the work being done by the secretariat, though coverage of the achievements of the various divisions could be improved. The follow-up to the High-level Meeting on LDCs' Trade Development was taking place too slowly, and the gap

between actual implementation of technical assistance and assumed new obligations was ever-widening. What had been done to follow up on the WTO Singapore ministerial decisions on trade and investment was not clear either. His delegation strongly supported the work being done on debt, TRAINMAR, new trade issues, investment, and accounting and reporting, and the Coordinated African Programme of Assistance on Services (CAPAS) remained a key programme for South Africa. Many of the meetings organized by UNCTAD had been of value, and the increased support being provided to Africa's regional organizations was welcome.

50. The spokesperson for the **Latin American and Caribbean Group** (Uruguay) said that his Group supported the position of the African Group, whose concerns with regard to the effective integration of African countries into the world economy were quite legitimate. It welcomed the progress made in connection with debt management, capacity building, the services sector, the follow-up to the High-level Meeting for LDCs' Trade Development, subregional shipping networks and Trade Points. It supported the work of UNCTAD in this connection, though it noted that that work often benefited specific regions. The challenges posed by the new multilateral trade system had to be faced by all countries - developing countries, the LDCs, economies in transition and the structurally weak and vulnerable economies. His Group supported the initiatives taken and encouraged UNCTAD to pursue its activities in favour of Africa.

51. The representative of **Uganda** said that some progress had been made with the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme, but more resources were required, and he appealed to donors to contribute. It was to be hoped that the Programme could be extended to other countries. With regard to the follow-up to the High-level Meeting on LDCs' Trade Development, his country was organizing a round table, and it hoped its development partners would participate actively. The emphasis should be on capacity building, not seminars and travel. Concerning the vacancy rate in the UNCTAD secretariat, recruitment fell within the sphere of competence of the secretariat itself, but where failure to act affected programme implementation,

member States had a duty to point this out. The post of Special Coordinator for Least Developed, Landlocked and Island Developing Countries should be filled.

52. With respect to new issues, the role played by UNCTAD in preparations for the WTO Ministerial Meeting was appreciated, and it was hoped that UNCTAD would provide assistance in connection with forthcoming negotiations. His delegation welcomed UNCTAD's work aimed at helping African countries benefit from FDI flows, as well as work on lessons to be drawn from the Asian financial crisis. Finally, UNCTAD should also focus on regional cooperation projects.

53. The representative of **Morocco** said that the secretariat's report represented a valuable contribution, though future reports should be more analytical and forward-looking. The fact that work had begun on the lessons to be drawn from the Asian experience was welcome. However, implementation of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme was very slow, and financing was not forthcoming. The Programme should be evaluated as it progressed. UNCTAD had an important role to play in the follow-up to the High-level Meeting on LDCs' Trade Development, but the appointment of a Special Coordinator and the strengthening of the human resources in his office would be essential in that connection.

54. Concerning Trade Points, an Africa-wide forum was essential to ensure interconnectivity for the continent as a whole, and while regional forums were useful, they should be seen as an intermediate stage. UNCTAD's role in capacity building for African countries was particularly effective in the context of the multilateral trade framework, and related activities should be included in the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme. On investment, UNCTAD should do more to help African countries in negotiations on investment and in strengthening their supply capacity. Finally, African countries should be better represented at the senior and middle levels of the UNCTAD secretariat in order to help implementation of Africa-related activities.

55. The representative of **Egypt** said that his country appreciated UNCTAD's efforts in respect of capacity-building, analysis and technical cooperation. Recent years had seen greater understanding of African problems in the secretariat, and the Board's review should help tackle the persisting weaknesses in programme implementation. The secretariat's work on the lessons of the Asian financial crisis was welcome, as was work on the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme. It was hoped that that programme would be extended to more countries, and his delegation attached particular importance to institution building and human resources development.

56. Egypt attached special importance to the needs of LDCs, and it looked forward to an effective follow-up to the High-level Meeting on LDCs' Trade Development, though the pace of follow-up action must be accelerated. With regard to new issues, his delegation fully supported UNCTAD's cooperation with other trade organizations and hoped UNCTAD would assist African countries in preparing for trade negotiations. On debt, UNCTAD should carry out studies to highlight the main causes of the problem. The continuing importance of ODA for African countries must be emphasized, and new ways must also be found of encouraging FDI in Africa. The new approach to accounting systems for SMEs was welcome. Finally, the secretariat's human resources must be enhanced with a view to helping Africa realize its potential.

57. The representative of **Austria**, speaking on behalf of the **European Union**, said that the secretariat's report presented a good picture of UNCTAD's activities in connection with the implementation of UN-NADAF, but it would have been useful to know more about the objectives pursued by the secretariat and what concrete results had been achieved. It would also be interesting to have more information on the impact of programmes financed by the regular budget and by voluntary contributions. The EU underlined its firm commitment to the development of Africa, and this was reflected, for example, in its close cooperation with SADC.

58. As noted during the Mid-term Review, improvements could still be made in UNCTAD's work on Africa. Programmes undertaken by UNCTAD must take full account of work in other international organizations. They should be based on a thorough understanding of sectoral needs, priorities and capacities, should lead to substantial improvement in the provision of development services, and should continue to take into account recipient Governments' ownership of their development programmes. The EU appreciated UNCTAD's constructive role in promoting trade facilitation and the streamlining of customs documentation and processing in Africa, and it encouraged UNCTAD to help African countries further in tackling the administrative and procedural causes of the still high transport and transaction costs associated with internal and external trade in and with Africa. It supported UNCTAD's endeavours to promote the integration of African economies, especially LDCs, into the world trading system.

59. The follow-up to the High-level Meeting on Integrated Initiatives for LDCs' Trade Development should be based on a coordinated and cooperative approach to guarantee maximum efficiency. In that connection, the EU welcomed the ad hoc meeting on GSP, GSTP and new initiatives for LDCs convened by the Secretary-General of UNCTAD, which provided an excellent opportunity precisely to follow up on the High-level Meeting.

60. In discussions of Africa's major problems, debt issues were inescapable. The European Union was confident that, following the forthcoming review, the annual meetings of the World Bank and the IMF would agree to the extension of the HIPC programme for a further two years. Concerning the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme, the EU would very much welcome a possible future expansion of the programme once the work already carried out had been evaluated. It was confident that in the very near future the necessary staff appointments would be made in order to implement the programme.

61. The spokesperson for the **Asian Group** (Bangladesh) said that his Group supported the position of the African Group. At the same time, making a distinction between Asian and African LDCs might not be beneficial to LDCs as a whole, though if the strategy worked, his Group would be the first to applaud. His Group welcomed the establishment of the Common Trust Fund, and appealed to donors to contribute to it. With regard to the High-level Meeting for LDCs' Trade Development, his Group shared the concern of others over the slow pace of implementation. On new issues, capacity building and the integration of the LDCs into the multilateral trading system were high priority areas, and any contribution that UNCTAD could make in that connection would be welcome. The debt overhang and possible responses to it, including that of the Paris Club and the HIPC initiative, were matters of concern to all least developed and low-income countries, and not just to one group of countries. In that connection, the decline in ODA at a time when an increase was needed was a matter of concern, and the attention of the development partners was drawn to the matter. Finally, with regard to entrepreneurial networking, this approach should be encouraged through UNCTAD activities, and Asia and Africa should work together, avoiding divisions.

62. The representative of **China** said that the secretariat's report was well structured and informative. His delegation agreed with the comments made by Mauritius on the report. The 1990s had seen a considerable change in the overall trade and development environment, and it was essential to help African countries increase their capacity in the new context. UNCTAD's contribution to attaining that goal deserved praise, and it was hoped that that contribution would continue so that UN-NADAF could attain its goals as soon as possible. His Government attached extreme importance to Africa. It had taken measures to enhance its cooperation with Africa, and it would continue to support African development.

63. The representative of **Senegal** said that the secretariat's report was very useful, though in future it should be designed to allow a critical evaluation of activities. His delegation attached particular attention to Trade Points, but despite the secretariat's efforts, Trade Points had been slow

in entering a truly active phase because of lack of funds. In that connection, 10 million ECUs had been pledged by the European Union, and those funds were awaited with impatience. The secretariat should intensify its efforts to have the funds released. In July 1997, his country had organized a Trade Point forum for French-speaking and Portuguese-speaking Africa, and that could represent a first step towards an Africa-wide forum.

64. The representative of the **United States** said it was essential that UNCTAD develop the fundamental analytical framework for reviewing Africa's trade and investment prospects, and her delegation looked forward to the 1998 *Trade and Development Report* in that connection. The secretariat's report had greatly assisted her delegation in determining UNCTAD's commitment to the implementation of UN-NADAF, and her delegation would work closely with the secretariat to obtain a better understanding of related UNCTAD activities. Over the next year, it would request regular updates on support for Africa-related activities, the representation of Africans throughout UNCTAD, and coordination with other organizations. Focus on Africa and LDCs need not be a zero-sum game, and UNCTAD was in a position to develop a positive agenda that would benefit all developing countries.

65. The representative of **Cuba** said that his country considered itself a brother of Africa. African LDCs, like other poor regions of the world, needed urgent help. The secretariat's analysis of work on UN-NADAF represented a valuable tool for programme implementation, but it showed that good intentions were not enough, and more determined efforts were required. Internal shortcomings should be addressed, and the basic causes of the existing situation should be analysed, not only in Africa but in poor countries throughout the world. His delegation supported UNCTAD's efforts to seek solutions to the economic problems of Africa. It also agreed that UNCTAD's assistance must be more balanced.

66. The representative of **Nigeria** said that the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme was welcome, but consideration should be given to the establishment of a more permanent structure for implementation. The number of beneficiary countries must be expanded, and donor countries were urged to contribute generously to the Common Trust Fund. With regard to the follow-up to the High-level Meeting for LDCs' Trade Development, his delegation was happy to note that needs assessment exercises had been conducted and that inter-agency coordination mechanisms had met. UNCTAD was urged to further strengthen its collaboration with other agencies to ensure the early launching of the administrative unit.

67. On new issues, developing countries looked forward to UNCTAD's support in evolving a proactive approach. The cooperation between UNCTAD, OAU and UNDP to develop an institutional negotiating mechanism to support African Governments in future trade negotiations was encouraging. UNCTAD should also speed up its region-wide efforts to prepare African Governments for the negotiations on trade in services in the year 2000. The preparations for the new ECOWAS ASYCUDA project were to be commended, though his country had continued to bear the full costs of its participation. He therefore urged the secretariat to extend financial assistance to his country, as in the case of other beneficiaries.

68. At its forty-fourth regular session, the Board had provided fresh orientations for UNCTAD's work on Africa. However, the secretariat had not yet fully responded to those new orientations, particularly as they related to development resources and ODA, where it had been given a specific mandate. The secretariat should therefore actively explore ways and means of increasing resources for development in Africa, in particular by analysing how ODA could be used as a catalyst to attract other types of flows.

69. Finally, the unsatisfactory coordination of UN-NADAF activities, the delay in the establishment of a focal point for the programme and the underrepresentation of Africa in the

secretariat had not served Africa's cause. The post of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries should be filled rapidly.

70. The representative of **Japan** said that the secretariat's report should have said more about the tangible results of the activities undertaken, especially with regard to capacity building. Indicators to measure the impact of activities on the development process, or mechanisms to obtain feedback from member States, especially LDCs, should be developed. UNCTAD should make every effort to have a visible impact in Africa.

71. The **representative of the UNCTAD secretariat** said that the secretariat had taken note of the comments and criticisms of member States. With regard to the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme, it was true that the Programme had taken some time to get off the ground, one reason being lack of financing. Since the time of writing of the secretariat's report, implementation plans had been completed and local implementation bodies identified for all eight countries currently involved. Funding was being sought to allow extension of the Programme to other countries, and it appeared that donors would be more inclined to finance extension to LDCs. An assessment of the Programme would be suggested to the two other agencies involved.

72. With regard to the follow-up to the High-level Meeting on LDCs' Trade Development, a focal point had been established in ITC, 39 needs assessments had been reviewed by the inter-agency working group, and integrated responses had been prepared for all 39 countries. To date, 14 countries had expressed interest in preparing for donor meetings.

73. Concerning new issues, briefing papers had been prepared and made available to all developing countries, and further studies were planned within the framework of the UNDP regional programme for Africa. In connection with TRIPs, WIPO and UNCTAD were preparing background

studies to assist African countries in preparations for the review of the TRIPs Agreement. Briefing sessions would also be organized for African countries. CAPAS III was well under way, with the mid-term review of nine national studies having been undertaken in May 1998. A regional seminar to review the findings was scheduled for autumn 1998.

74. With respect to integrated country programmes, four African countries had been covered so far, but it would not be possible to cover all countries at once. It was hoped that the number of African countries covered would be increased in 1999.

75. On Trade Points, although the European Union had initially announced a contribution of 10 million ECUs for the establishment of Trade Points in the ECOWAS region, it appeared that the actual contribution would probably be much less, possibly around 2 million ECUs. Funding problems were also affecting the ASYCUDA programme in the ECOWAS region. Concerning DMFAS, the Berne meeting had been a steering committee meeting of four donor countries, which had reiterated their commitment to support in capacity building for debt sustainability through Debt Relief International, with which UNCTAD had established a close working relationship through the DMFAS programme. Finally the secretariat had considerably enhanced its analytical work on Africa and would seek to improve further its reporting to executive sessions of the Board in line with the guidance provided by Governments.

Action by the Board

76. The Board took note of the statements made under agenda item 3.

IV. REPORT BY THE PRESIDENT OF THE TRADE AND DEVELOPMENT BOARD ON HIS INFORMAL CONSULTATIONS ON:

(a) GUIDELINES AND MODALITIES FOR FUNDS FROM SAVINGS RESULTING FROM IMPROVED OVERALL COST-EFFECTIVENESS FOR FINANCING OF EXPERTS;

(b) OPERATIONAL MODALITIES OF THE TRUST FUND TO ENSURE PARTICIPATION OF DEVELOPING COUNTRIES' EXPERTS IN UNCTAD MEETINGS

(Agenda item 5)

77. The **President** said that, further to the decisions taken by the Board at its seventeenth executive session, he had requested Ambassador Hill (Jamaica), Vice-President of the Board, to chair open-ended consultations, which had taken place on 3 July 1998. The Vice-President's report gave reason to believe that the consultations could come to a successful conclusion. The Bureau recommended to the Board that it extend the mandate for the consultations.

Action by the Board

78. The Board decided to extend the mandate of the President of the Board to continue his consultations and to report on the two issues involved at a future monthly consultation of the President.

V. REPORT OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE UNCTAD/WTO ON ITS THIRTY-FIRST SESSION

(Agenda item 6)

79. The representative of **Morocco**, speaking in his capacity as Chairman of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO, introducing the report of the Joint Advisory Group on its thirty-first session (ITC/AG(XXXI)/171), said that the Group had examined ITC's technical cooperation activities in 1997 based on its annual report, the evaluation of the ITC subprogramme "Product and market research, development and promotion" and the ITC strategy for product and market development. The Group had also examined the work of the Consultative Committee on the ITC Global Trust Fund.

80. The Deputy Secretary-General of UNCTAD and the Deputy Director-General of WTO had commended ITC's Executive Director for the manner in which he had led ITC's reform process, and they had also referred to the enhanced cooperation amongst the three organizations. The Executive Director had announced that ITC had virtually completed the refocusing exercise begun in 1994. He had highlighted ITC initiatives to strengthen its capacity to address the trade-related needs of LDCs and had noted that ITC was developing, refining and applying at the country level generic technical assistance tools as the best possible way of achieving national capacity building and optimizing the return on its limited resources. ITC collaboration with other organizations had increased.

81. He himself as Chairman had referred to the informal consultations which he had convened in April 1998 on an appropriate supervisory mechanism for ITC and the implementation of the recommendations of the Office for Internal Oversight Services. On the supervisory mechanism, a consensus had been reached for the review to take place after the thirty-first session of JAG, giving

due regard to the outcome of the ongoing review of the technical cooperation programmes of ITC's parent organizations and the functioning of the existing supervisory bodies. The conclusions of the informal consultations would be reported to the next JAG session in 1999.

82. The Group had unanimously expressed its appreciation to the Executive Director and the secretariat for ITC's progress in defining and implementing a new strategic orientation, pursuing its management reform, intensifying cooperation with other organizations and reporting clearly and comprehensively on its activities. The Group had welcomed the new product and market development strategy, and it has also expressed its appreciation for the contribution that the Global Trust Fund and its Consultative Committee had made to ITC's work programme.

83. Finally, the Governments of Belgium, Canada, China, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom had announced confirmed or possible voluntary contributions to ITC.

Action by the Board

84. The Board took note of the report of the Joint Advisory Group on its thirty-first session (ITC/AG(XXXI)/171).

85. The **Deputy Secretary-General of UNCTAD** expressed the total support of the UNCTAD secretariat for ITC. Cooperation between UNCTAD and ITC had developed rapidly and satisfactorily, especially in the context of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries and the follow-up to the High-level Meeting for LDCs' Trade Development. It was hoped that ITC would play an important role in the Partners for Development meeting.

VI. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

(Agenda item 4)

A. Opening of the session

86. The eighteenth executive session of the Trade and Development Board was opened on 10 July 1998 by Mr. Goce Petreski (former Yugoslav Republic of Macedonia), President of the Board.

B. Bureau of the eighteenth executive session

87. There being no change in the elected officers of the Bureau since the forty-fourth session, the Bureau of the Board at its eighteenth executive session was as follows:

President:	Mr. Goce Petreski	(former Yugoslav Republic of Macedonia)
Vice-Presidents:	Mrs. Anne Anderson	(Ireland)
	Mr. Michael Ray Arietti	(United States of America)
	Mr. Dhumahdass Baichoo	(Mauritius)
	Mr. Nacer Benjelloun-Touimi	(Morocco)
	Mrs. Eveline Herfkens	(Netherlands)
	Mr. Anthony Hill	(Jamaica)
	Mr. Gilberto Saboia	(Brazil)
	Mr. Vasili Sidorov	(Russian Federation)
	Mr. Bjorn Skogmo	(Norway)
	Mr. Bozorgmehr Ziaran	(Islamic Republic of Iran)
Rapporteur:	Mr. Sek Wannamethee	(Thailand)

C. Adoption of the agenda

(Agenda item 1)

88. The Board adopted the provisional agenda for its eighteenth executive session, as contained in document TD/B/EX(18)/1 and Corr.1. (For the agenda as adopted, see annex I).

D. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

89. The Board decided that the African Export Import Bank should be designated under rule 76 of the rules of procedure so that it could participate in the deliberations of the Conference, the Board and its subsidiary organs.

E. Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

90. The Board decided that the Transnational Institute (TNI) should be given consultative status and that it be classified in the general category.

91. The Board was also informed that, in conformity with the provisions of Board decision 43 (VII), sections III and IV, and after consultation with the Government concerned (the Russian Federation), the Secretary-General had decided to enter the Association of Financial and Industrial Groups of Russia in the register of national non-governmental organizations.

F. Designation of the President of the Bureau of the forty-fifth session of the Trade and Development Board

92. Mr. Chak Mun See (Singapore) was nominated for the post of President of the Board at its forty-fifth session.

G. Other business

(Agenda item 7)

93. The Board noted that the thirty-second session of the Working Party on the Medium-term Plan and the Programme Budget, originally scheduled for 7-9 September 1998, would now be held on 21-23 September 1998.

H. Report of the Board on its eighteenth session

(Agenda item 8)

94. The Board authorized the Rapporteur to complete the report on its eighteenth session under the authority of the President.

ANNEXES

Annex I

AGENDA FOR THE EIGHTEENTH EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda

2. Mid-term review

3. UNCTAD's contribution to the UN-NADAF: UNCTAD's activities in favour of Africa (agreed conclusions 443 (XLIV))

4. Institutional, organizational, administrative and related matters:
   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

   (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

   (c) Designation of the President and Bureau of the forty-fifth session of the Trade and Development Board

5. Report by the President of the Trade and Development Board on his informal consultations on:

   (a) Guidelines and modalities for funds from savings resulting from improved overall cost-effectiveness for financing of experts

   (b) Operational modalities of the Trust Fund to enhance participation of developing countries' experts in UNCTAD meetings

6. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-first session

7. Other business

8. Report of the Board on its eighteenth session

Annex II

ATTENDANCE */

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Australia
Austria
Bangladesh
Belarus
Belgium
Bhutan
Bolivia
Brazil
Burundi
Canada
Chile
China
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Czech Republic
Denmark
Ecuador
Egypt
Ethiopia
Finland
France
Germany
Guatemala
Haiti
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Lebanon
Madagascar
Malaysia
Malta
Mauritania
Mauritius
Mexico
Morocco
Myanmar
Nepal
Netherlands
Nicaragua
Nigeria
Norway

Panama
Paraguay
Peru
Philippines
Poland
Portugal
Republic of Korea
Romania
Russian Federation
Senegal
Singapore
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
The Former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Yemen
Zimbabwe

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*/ For the list of participants, see TD/B/EX(18)/INF.2.

2. The following State member of UNCTAD, not member of the Board, was represented as an observer at the session:

Holy See

3. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
League of Arab States

4. The following specialized agencies and related organization were represented at the session:

Food and Agriculture Organization of the United Nations
International Labour Organisation
International Monetary Fund
United Nations Industrial Development Organization
World Trade Organization

5. The International Trade Centre UNCTAD/WTO was represented at the session.

6. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce
International Confederation of Free Trade Unions
Women's International League for Peace and Freedom
Third World Network
World Federation of United Nations Associations